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ABSTRACT

Since 1984, Canada has experienced roughly 150,000 new business start-ups each year. Most of these businesses start small and remain small, yet they have had a significant impact on Canada's economic well-being. Unfortunately, somewhere between 70% and 80% of the new businesses fail to survive beyond 5 years. These statistics underscore the need for entrepreneurial education to promote better planned business start-ups, greater proficiency in start-up skills, effective new-firm management, greater public awareness, and more entrepreneurial ventures. The objectives of entrepreneurial education include: (1) increasing awareness of entrepreneurship as a career choice; (2) improving students' prospects for business survival through a variety of conceptual and applied courses; (3) informing students not interested in entrepreneurship of the nature and importance of entrepreneurship, as well as the risks and difficulties encountered by entrepreneurs; and (4) providing curriculum aimed specifically at developing entrepreneurial behavior in key employees of firms. The issue of where to place entrepreneurial studies in a postsecondary curriculum is a very important one. Though there are sound reasons for placing entrepreneurial courses in business departments, community programming/continuing education departments, or their own semi-autonomous center, the best rule of thumb is to place the courses where there is faculty enthusiasm and commitment. Given that most entrepreneurs lack a business education background, a multi-discipline, multi-track approach is recommended. Entrepreneurial studies should focus on vision, creativity, intuition, awareness, and common sense, using such instructional methods as video and audiotapes, business experts and entrepreneurs as guest speakers, idea generation exercises, and product development projects. (WJT)

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ABSTRACT

This paper reviews the broader issues of entrepreneurial education at the postsecondary level in Canada today. It begins with a discussion of the need for entrepreneurial education given the changes presently underway in our economy and elsewhere. The paper then addresses the question of what should be the objectives of entrepreneurial education, and how entrepreneurial studies should be positioned in a college or university. The paper goes on to advocate the adoption of a multi-discipline, multi-track approach to entrepreneurial studies. The following sections of the paper deal with the issues of what should be taught, how it should be taught and who should teach it. The paper concludes with a call for cooperation in research into entrepreneurship education.

THE NEED FOR ENTREPRENEURIAL EDUCATION

In the summer of 1988 a survey research project was undertaken at Confederation College to review the status of entrepreneurship and small business postsecondary educational activities in Canada. Some 150 schools responded to the survey which culminated in the publication of a book entitled *Entrepreneurship and Small Business Management: A Survey of Canadian Postsecondary Institutions.*[1] The study revealed that a large number of schools, and colleges in particular, were offering or planning to offer courses, seminars and workshops in entrepreneurship and/or small business management. What was equally evident was that many schools lacked depth of curriculum in these areas. While there were some notable exceptions, the postsecondary educational system in general still had a long way to go to meet the educational needs of the quiet revolution that is underway in Canada today.

The quiet revolution of course is the entrepreneurial revolution that came to the fore in the 1980s and looks set to continue into the next century. Since 1984 Canada has experienced roughly 150,000 new business start-ups each year i.e. an average of over 12,000 new firms each month.[2] Proportionally speaking, this is one of the highest rates in the world and notably, larger than rates for the U.S. and U.K.[3] The vast majority of these new businesses start small and stay small as is the case for over 98 percent of Canada's 900,000 plus companies.[4]

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1 Wayne Greer, ed., Entrepreneurship and Small Business Management: a Survey of Canadian Postsecondary Institutions, Thunder Bay, Northwest Enterprise Centre, 1989.

2 Small Business in Canada: Growing to Meet Tomorrow: 1989, Ottawa, Industry, Science and Technology Canada, 1989, p. *i*

3 According to the Nation's Business, November 1988, p. 53, the number of U.S. start-ups per year is 400,000.

4 Industry, Science and Technology Canada, op. cit.

Their impact on Canada's economic well-being, however, is anything but small. Between 1978 and 1987 small business was responsible for about 85 percent of the new jobs created in Canada.[5] Firms with fewer than 50 employees now account for fully one-third of Canadian private sector employment.[6] If one adds to this the more than 1.5 million Canadians who are self-employed, the figure exceeds half of total Canadian private sector employment.[7] These small business operations as a group have both a broad economic base and a wide geographic distribution. The majority of business in most communities across Canada is small business. It accounts for some 25 percent of Canada's GNP.[8] More than 75 percent of the private firms performing commercial research and development activities in Canada in 1987 employed fewer than 100 employees.[9] Their combined efforts accounted for 17 percent of total Canadian private sector research and development spending.[10] Increasingly, small business is seen as being more adaptive, quicker to respond to changing conditions and better able to serve the needs of particular market niches than are large firms.

The down side of all of this lies in the disturbingly high failure rate figures for new business start-ups. On average, somewhere between 70 and 80 percent of new Canadian start-ups fail to survive beyond five years. In some sectors and regions the failure rates exceed 90 percent. Thus, while Canada generates 150,000 new firms each year, the net growth rate in the total number of Canadian businesses is in the 65-70,000 range.[11]

The need for increased efforts in the area of entrepreneurial education lies in part in the recognition that such education can lead to better thought-out start-ups, greater proficiency in start-up skills and more effective new-firm management. In addition, while the rate of new-firm start-ups this decade has been unprecedented in Canada, there is nothing to guarantee that this trend will continue at such high levels. In this regard entrepreneurship education may increase public awareness and entrepreneurial tendencies by giving entrepreneurship greater legitimacy as a possible career option.

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5 ibid., p. 6.

6 ibid., p. 5.

7 The Globe and Mail, October 29, 1988, p. B5.

8 The Royal Bank Reporter, Fall 1988, p. 17.

9 Industry, Science and Technology Canada, op. cit., p. 7.

10 ibid.

11 This figure is an estimate quoted by John Bulloch, President, Canadian Federation of Independent Business.

THE OBJECTIVES OF ENTREPRENEURIAL EDUCATION

Much of primary, secondary and postsecondary education in Canada is geared to making students reasonably competent employees. The reality is that most students become employees. Unfortunately, in the process of serving the needs of the majority of prospective employees, educational institutions have paid too little attention to the self-employment/business start-up/entrepreneurial option. Consequently students and the Canadian population in general are ill-informed about entrepreneurship as a career choice. One of the objectives of entrepreneurial education should be increasing awareness of this option. This does not mean that educators should be selling entrepreneurship as a career choice.

For those students attracted to entrepreneurship as a career option, educational institutions should be offering a variety of conceptual and applied curriculum aimed at improving their prospects for business survival and prosperity. More will be said regarding the content of such curriculum later in this paper.

It should be recognized that many students who might wish to take studies in entrepreneurship may not wish to become entrepreneurs. By becoming knowledgeable in the nature and importance of entrepreneurship, as well as in the risks, difficulties and personal work loads encountered by entrepreneurs, such students could become better informed employees, consumers and voters. The objective here is to promote entrepreneurship awareness so as to improve the overall environment for entrepreneurship in Canada.

A third possible objective of entrepreneurship education relates to the desirability of providing curriculum aimed specifically at developing entrepreneurial behaviour in key employees of firms. Entrepreneurial management or intrapreneurship is a field of study that has this objective and which can be of value to large and small firms alike.

Each of the objectives expressed here would serve to improve the performance of Canadian business and assist in the maintenance of Canada's global competitiveness.

THE POSITION OF ENTREPRENEURIAL EDUCATION WITHIN POSTSECONDARY INSTITUTIONS

The majority of people who start businesses in Canada do not have a business education background. Most of the people who get a business education become employees. Yet entrepreneurship is a business area of study, albeit one that often differs significantly with more traditional business curriculum. The issue here is whether entrepreneurship studies should be the domain of business schools or divisions or whether it should be housed within another school or division such as engineering, technology or applied arts. Not all business departments regard entrepreneurship as a legitimate field of business study nor are they necessarily bastions of entrepreneurship.

Faculty may regard entrepreneurial studies as street level business having little in common with more established fields such as accounting, finance, marketing or management studies. There may also be concern that entrepreneurial studies may be introduced in some way at the expense of the other areas of business education and this can foster resistance among faculty. One of the key issues in this area is where the initiative for the establishment of entrepreneurial studies comes from. If it comes from the business department then that is the place to position it. However, if it is thrust upon faculty by upper institution management then faculty may receive it coolly with limited commitment. In such cases it would be better to place such studies elsewhere in the college or university.

It is not uncommon for courses in small business and entrepreneurship to get their start in the community programming or continuing education divisions of a school. By their nature these divisions are outward-looking and often introduce such studies in response to a recognized community need. It was such recognition of a community need that led Confederation College to establish the Northwest Enterprise Centre (NEC) five years ago as a vehicle to develop and deliver entrepreneurial studies in a seminar program format. The NEC became an inhouse catalyst for the development of entrepreneurial studies elsewhere in the college.

An alternative approach in the placement of entrepreneurial studies is to establish a semi-autonomous entrepreneurship centre which develops curriculum both independently and in conjunction with other departments or faculties of the institution. Success in this approach often hinges on the ability of the centre to build bridges to other parts of the institution.

This issue of where to place entrepreneurial studies in a postsecondary institution is a very important one. Bad positioning can result in poor faculty support which often translates to limited educational impact. If there is one basic rule of thumb on this issue, it is to place entrepreneurial studies where there is faculty enthusiasm about and commitment to the field.

THE DESIRABILITY OF A MULTI-DISCIPLINE, MULTI-TRACK APPROACH

As previously mentioned, most of the people who start businesses do not have a business education background. Entrepreneurs come from a wide variety of disciplines and educational backgrounds. More than half of the people who own businesses in Canada have some postsecondary education.[12] Given this, it seems essential that schools introducing entrepreneurial studies should do so on a multi-discipline basis. This can be achieved by making courses in entrepreneurship general electives or by designing entrepreneurship courses to meet the needs of particular programs or fields of study across a range of disciplines.

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12 David Staffman, A Nation of Entrepreneurs, Report on Business, The Globe and Mail, October 1988, p. 62.

It is important to recognize that the educational and training needs of students in the area of entrepreneurship will likely vary greatly within any given school. Given this, it is often preferable to adopt a multi-track approach. This is the approach being taken at Confederation College. A series of four sequential entrepreneurship courses are being developed as general electives open to students in all programs. In addition, courses are being developed to meet the educational needs of business students as part of their business diploma programs. These courses are also being made available for continuing education and distance education programs. For students with an immediate need for intensive hands-on training in entrepreneurship and small business development skills, the college offers a one-year certificate program in entrepreneurship. This program is specifically designed for would-be entrepreneurs seriously intent on starting their own business. It is hoped that development of curriculum specific to particular disciplines will start in the near future.

Finally, the NEC wing of the college offers a growing range of seminar training programs for would-be entrepreneurs and for business owners who have a need for skills upgrading. The result of these varied or multi-track offerings is that students are given the opportunity to select education options which best suit their particular needs. It is felt that by taking this approach the college can offer a greater degree of service to its constituency.

CURRICULUM CONTENT

The next issue to be addressed is what should schools be teaching in the area of entrepreneurial studies. Many people are often mistakenly inclined to regard entrepreneurship and small business management as one and the same. Entrepreneurship focusses heavily on identifying and assessing market opportunities for new business start-up and upon the needs and process of establishing a new company. Small business management, by contrast, deals with the various aspects of operating an established firm. The two fields share some common ground and can often be dove-tailed but they tend to have significantly different focusses.

Entrepreneurial studies should focus heavily on vision, creativity, intuition, awareness and common sense.[13] This is hardly the core content of small business management courses. These skills are vital, however, for entrepreneurial success. They include a mix of learnable and not-so-learnable abilities.

At Confederation College entrepreneurship students are encouraged to develop a sense of "opportunity radar" and to keep it switched on. It is based on a variety of methods of identifying potential product, service and market opportunities that could form the basis for a new

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13 The latter is not as common as the name suggests but it is a skill that has learning potential.

venture.[14] In addition, students are taught fifteen or more idea-generation or creative thinking techniques including both left and right brain methods.[15] Students are also taught the different types of change including trends and how change can yield new entrepreneurial opportunities.

On the more technical side of entrepreneurial studies, students should be taught the basics of opportunity assessment or feasibility studies as well as skills in the area of market studies, needs assessment for start-up, business planning and business management. At a more basic level, students need training in the legal aspects of business establishment and operation, start-up funding and financial issues and sources of financial, technical and other assistance.

Unlike much of business education, entrepreneurship studies are heavily focussed on the nature and performance of an individual - the entrepreneur. It is this person that has the vision, decides to act upon it, musters the necessary resources and endeavors to make the vision a reality. Given this, it follows that curriculum in entrepreneurship should include a variety of subjects dealing with the nature, behaviour, and tasks faced by the entrepreneur. This would include lifeskills training, interpersonal skills development, risk-taking, decision-making and leadership skills and dealing with pressure and the possibility of failure. These are complex issues but crucial for entrepreneurial education to be effective. The prospective entrepreneur should go into entrepreneurship with his or her eyes wide open, aware of the demands that will be placed on him or her, and prepared for the rigours of a 60-, 70- or 80-hour work week during the start-up period.

CURRICULUM DELIVERY

The question of how to best teach entrepreneurial studies is largely dependent on the nature and objectives of the students taking the course or program. Like entreprenerushiip, the teaching of entrepreneurship offers many options. While some students might prefer a traditional classroom lecture setting, others might prefer a non-graded seminar approach. This is an area of considerable experimentation and variety.

What is clear is that much of the subject material is well suited to non-conventional learning processes. One option is to use projects or assignments geared to "learning by doing." Examples of these would include entrepreneurial self-assessments, opportunity identification

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14 For examples of these methods see Bill Gibson and Dr. Dale Rusnell, Uncover and Create Business Opportunities, Vancouver, Newport Marketing and Communications Inc., 1985.

15 For examples of these techniques see William C. Miller, The Creative Edge: Fostering Innovation Where You Work, Don Mills, Addison-Wesley, 1987.

assignments, idea generation exercises, the conducting of market studies, product development projects, case studies, mock business exercises, business planning projects and actual business start-ups such as those undertaken in Junior Achievement programs. Such assignments increase the realism of the learning process and get the student more actively involved in the subject matter. More comprehensive programs could include activities such as outplacing a student with a practicing entrepreneur - sort of like an apprenticeship.

There is also something to be said for "learning by going" teaching activities i.e. taking students to an entrepreneur's place of business to meet with the owner and discuss his or her experiences in building the business. Here again the objective is to make the learning experience more vivid, more realistic and therefore, more memorable.

Bringing guest speakers such as practicing entrepreneurs or recognized business experts into the classroom can be an excellent way to get understanding of particular entrepreneruship issues across to students. It can have the added effect of reinforcing and legitimizing what is being taught in the classroom. Confederation College is in the process of establishing an entrepreneurial mentor group to assist instructors in this fashion.

Other methods that can enhance the effectiveness of entrepreneurial education are the use of video and audio tapes. The quality and quantity of these teaching aids is growing steadily. The price of these varies but some are extremely reasonable such as the video "How to Really Start your Own Business" which was produced by Inc. Magazine and is available from SCORE in the United States for $25.

Much of the curriculum taught in entrepreneurial studies is particularly well-suited to participatory learning. Students can often relate particular issues to real life examples that they are aware of, or can conceive of situations where a particular skill would be valuable. Probably one of the best areas for participatory learning is in the teaching of idea generation techniques. Here the instructor can teach the basics of a technique and then function largely as a facilitator while students apply it in the classroom.

WHO SHOULD TEACH ENTREPRENEURIAL STUDIES?

Probably in order to be really effective, teachers of entrepreneruship should be champions of the cause i.e excited, motivated and committed. It is essential that instructors be able to bridge the gap between theory and practice. Thus, actual business start-up experience can be a real asset in an instructor. This does not mean, however, that instructors who lack such experience cannot do a good job. Learning from the experiences of others can produce a lot of feet on the ground insight in an instructor. What such an instructor may not be able to relate to is the excitement, fear and pressure encountered by people who undertake to start their own

business. This need not be a problem, however, as practicing entrepreneurs can be brought into class to communicate these feelings to the students.

CLOSING REMARKS

This paper has endeavoured to provide an overview of what is involved in entrepreneurial education. Canadian postsecondary institutions are at a relatively early stage of development in this field but they are gaining momentum fast. What entrepreneurial educators need to do more of is to share the experience and expertise that they have acquired. There is a need for more research in this area and to share the results of this research so as to increase the collective effectiveness of those endeavouring in this field. The Centre of Entrepreneurship for the Northwest at Confederation College would very much like to hear from entrepreneurial studies instructors and curriculum developers who are interested in participating in this kind of research.

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